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ConnectME Fund

Fourth Round Grant Application

March 2010

1.	Date:	March 22, 2010
2.	Project Title:	Amity Route 1
3.	Submitting Entity:	Pioneer Broadband
4.	Grant Amount Requested:	\$26,450
5.	Total Project Cost:	\$43,980
6.	Project Contact Information	Don Flewelling, Sales Mgr. Pioneer Broadband 37 North St Houlton, ME 04760 207.532.1254 ext 230 don@pioneerbroadband.net
7.	Party Who Prepared Application	Don Flewelling, Sales Mgr. Tim McAfee, CTO Pioneer Broadband 37 North St Houlton, ME 04760 207.532.1254 don@pioneerbroadband.net

8. Executive Summary of the Project

Pioneer Broadband, in collaboration with the Town of Amity, submits this Grant Application in response to the ConnectME Authority Grant Funding Program for deployment of broadband Internet service in rural Maine.

The Amity Route 1 Remote Terminal (RT) service area has approximately 60 homes based on our own assessment of the network wire plant. Pioneer and the Town of Amity have a goal of bringing high-speed, broadband Internet access to 100% of these homes via DSL service.

Pioneer is proposing to install a DSL Access Module (DSLAM) adjacent to the RT on US Route 1 north of the Lycette Rd intersection in Amity, ME.

The exact service area will be the geographic area covered by the Local Exchange Carriers (LEC) wire facilities at the RT out to a distance of 18,000 feet. Pioneer has requested the exact route of the physical cable plant from the LEC.

9. A description of the geographic area proposed to be served by the project and sufficient information to establish that it is an unserved area, preferably at street-level granularity, and not likely to be served in the foreseeable future.

(Most applicants conduct independent research to determine if a community has broadband or are sufficiently familiar with the community to know that there isn't any terrestrial broadband available).

We recommend that applicants find partners among the various providers of broadband services or community-based organizations to use the grant as "gap-financing" to get operational infrastructure installed. The amount of local public and private funding and in-kind contributions will be considered when reviewing the applications.

Applicants must be aware of recent legislative changes that require the ConnectME Authority to give priority to grant proposals that, relative to other proposals, seek to extend access to broadband internet service to a higher percentage of an "unserved" area within a municipality or other appropriate geographic area. The legislation requires the Authority to also consider the percentage of households with access to broadband service when establishing criteria to define unserved and "underserved" areas;

The geographic area is the area covered by the Local Exchange Carriers (LEC) wire facilities originating at the RT out to a distance of 18,000 feet, which includes portions of the Calais Road, Monument Road, Lycette Road, Tracy Road, and some of the Estabrook Road. There is currently no wireless, DSL or cable service, thus rendering this territory **unserved**.

Pioneer has studied the Amity area for 5 years in other efforts to obtain grant funds to provide service for this unserved area. Pioneer has spoken with Amity town officials to confirm yet again that the area still has no broadband availability and, thus, they requested that Pioneer apply to the ConnectME Authority for funding. Lack of broadband service in Amity was also confirmed by the ConnectME Authority Broadband Availability mapping. The map indicates that there is DSL service, however a call to the LEC reveals that there is no such service available. Nor do we have any indication from their employees that there is any intention to do so.

These reports demonstrate the essential need for broadband capability in this distinctly rural, **unserved** Amity area.

10. A description of the proposed project, including:

a. Public-private partnerships and collaborations that have been established;

Pioneer Broadband, in collaboration with the Town of Amity and its citizens, desires to bring high-speed, broadband Internet service to the residents and businesses of this service area. A letter of support from the Amity Selectmen is attached.

b. Evidence that the private partners in the project are eligible to receive funding from the Authority;

Pioneer Wireless, Inc., d/b/a Pioneer Broadband is a privately owned, Maine company, founded in 2001 and headquartered at 37 North St, Houlton, Maine.

Pioneer Broadband is a for-profit corporation. It has worked with many rural Maine towns and several Native American tribes and has a proven track record of collaborative relationships. *Pioneer has leased facilities in more than 50 locations. All facilities are based on formal lease agreements, thus ensuring community good will with revenue potential for each site owner.*

c. The type of service to be provided, indicating the technology used and the upstream and downstream speeds of the service to be provided;

Pioneer is proposing to install a DSL Access Module (DSLAM) adjacent to the Remote Terminal (RT) on US Route 1 near the Lycette Rd in Amity.

Asynchronous Digital Subscriber Line (ADSL) service will be provided to the customer premise (either business or residential) via the existing telco wires attached to the house. We have designed the system to offer the subscribers speeds of 2.2Mbps downstream and 512Kbps upstream.

The Amity Route 1 DSLAM will be fed via a fiber optic backhaul line from our nearest node in Cary Plantation. The overall build will also serve several other DSLAM's in the Pioneer network. This grant request includes only the cost of that portion of the construction required to reach the prior backhaul node in the network.

d. An estimate of the time required to complete the proposed project;

The Amity Route 1 project will require an estimated three to six months for obtaining the necessary permits and facility construction.

e. The number and percentage of households and businesses within the area to be served by the project (i.e. who can be served given technical limitations);

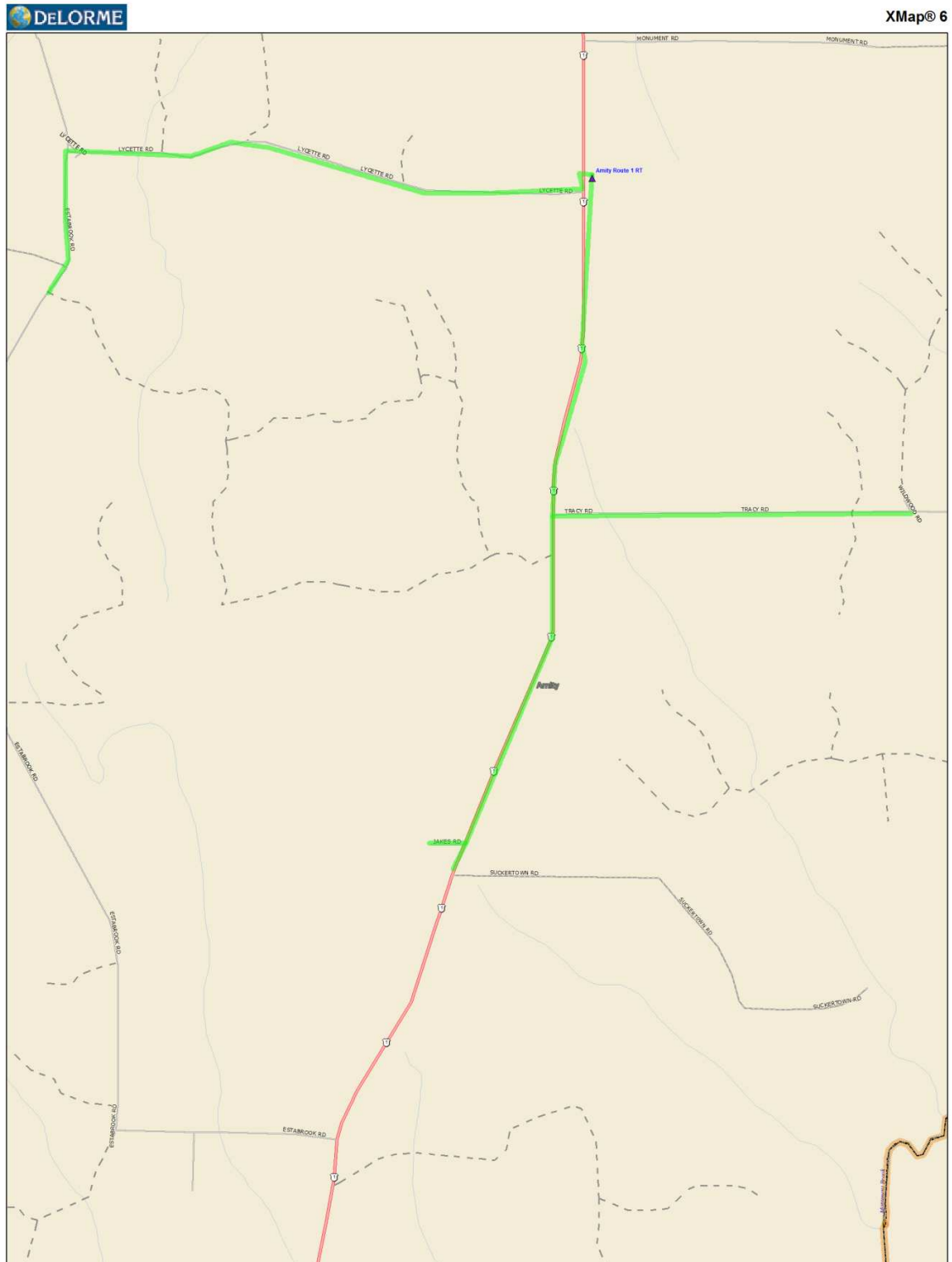
The project is expected to reach about 60 (or 100%) of the residences and businesses in the service area of the RT out to a distance of 18,000 feet.

f. The estimated price per customer of the service to be provided by the proposed project; and

Estimated cost per household is \$441.

g. A map (preferably GIS compatible) or list of municipalities or parts of municipalities that may be covered by the proposed project with GEO Codes.

GEO Code: 3020 See Map on next page.



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11. The applicant's financial commitment to the project in addition to the funding requested from the Authority;

Pioneer is committed to financing the remainder of the expenses of the project.

12. The estimated number of customers/households who will directly benefit from the project who are currently unserved (provide lists or numbers of potential customers that have indicated a strong commitment to subscribe);

It is estimated that 60 of the homes and businesses in the service area of the Amity Route 1 RT (out to 18,000 feet) will have broadband availability.

14. Evidence of community support for the proposed project, which may include letters or signatures of residents or businesses located within the area of the proposed project (also, provide letters of interest from landowners for placement of facilities and support commitments from municipalities or community groups);

See attached letters and emails of support from town officials and citizens of the area.

15. A description of the applicant's experience relevant to the proposed project; and

Pioneer Broadband is a telecommunications company based in Houlton, Maine. Pioneer constructed a microwave backbone network in 2001 that today serves 45 towns from over 50 locations. With broadcast coverage over 5000 square miles, Pioneer serves high-speed Internet to over 5000 customers via fiberoptic cable, wireless, cable, DSL. In 2008, Pioneer registered and was approved to become a CLEC by the Maine Public Utilities Commission, in order to better expand the network backbone via fiber optic cable. Pioneer has a proven track record of successful expansion activities and deep commitment to serving rural Maine.

16. A demonstration of financial viability provided by pro-forma financial statements for the project and company financial statements. Confidential information may be submitted and should be so marked.

SEE ATTACHED PDFS

Completed applications are due March 22, 2010. The ConnectME Authority will make application awards after a reviewing and ranking the applications, based on the availability of funds. Submit applications electronically or by mail to:

ConnectME Authority

Phillip Lindley, Executive Director
Statehouse Station 78
Augusta, ME 04333-0078

Phone: (207) 624-9970
Mobile: (207) 441-0498
phil.lindley@maine.gov
www.maine.gov/connectme/



Pioneer Broadband
37 North St
Houlton, ME 04732
866-355-1254

ConnectME Authority

Fourth Round Grant Application
2010

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Financial Analysis and Budget

The budget will be reviewed on reasonableness and accuracy. Provide the following financial information with as much detail as possible:

SEE ATTACHED PDF

ProForma Financial Statement

*Pioneer specifically requests that this section of the response, other than the total Project Cost and the amount of the funding Request, be given **Confidential** treatment.*

SEE ATTACHED PDF